

Highlights of SB 6097 Unemployment Insurance Reform  
Provided by NFIB Washington Chapter

SB 6097, supported by NFIB, reforms Washington's expensive unemployment insurance system and includes many of the changes long advocated for by NFIB by:

- Removing nearly \$65 million in benefits being paid to people who voluntarily quit their job -- people who should not be collecting benefits in the first place.
- Tightening the definition of misconduct so that it will be more difficult for someone who is fired for cause to collect benefits. It also sets up a definition for "gross misconduct" so that people who are fired for breaking the law lose their credits for the year.
- Tightening up work search requirements and requires the Employment Security Department to better check Social Security numbers to reduce fraud.
- Taking away the statutory language that force employment security decisions to favor the employee rather than the employer -- now those decisions must be balanced.
- Changing the benefit calculation so that people will be paid benefits on what they earned in a year, not just what they earned over two quarters.
- Reducing the duration of unemployment benefits from 30 weeks (the highest in the country) to 26 weeks.
- Freezing the maximum weekly benefit amount -- currently one of the highest in the nation -- until it is at 63 percent of the state's average wage.
- Setting up a new tax system that will allow employers to pay UI taxes that better reflect their actual experience and reduces overall socialized costs.

***Due to the complex nature of these reforms, they are phased in with benefit changes occurring first and the tax changes happening in 2005. The overall system savings are expected to fall around \$200 million per year once the bill is fully implemented which will make our state far more competitive.***